

AMENDED IN ASSEMBLY AUGUST 7, 2006

AMENDED IN ASSEMBLY JUNE 8, 2006

AMENDED IN SENATE MAY 11, 2006

SENATE BILL

No. 1126

Introduced by Senator Chesbro
(Coauthor: Assembly Member Berg)

January 9, 2006

An act to amend Section 3 of Chapter 1086 of the Statutes of 1970, relating to tidelands and submerged lands of the City of Eureka.

LEGISLATIVE COUNSEL'S DIGEST

SB 1126, as amended, Chesbro. Tidelands: City of Eureka.

Existing law grants to the City of Eureka all the right, title, and interest of the State of California in and to certain tidelands and submerged lands located in Humboldt Bay in trust for certain purposes. Existing law provides that certain moneys received by the City of Eureka from the Controller shall be deposited in the Humboldt Bay Fund and may be used by the City of Eureka for the purposes for which revenues accruing from or out of the use of those granted tidelands may be used.

Existing law requires the City of Eureka, prior to June 30 of each year, to pay to the Controller a specified amount of the money deposited by the city into the Humboldt Bay Fund during the preceding fiscal year in lieu of all obligations incurred by the city, as specified.

~~This bill would provide that the city's obligation to make those payments ceases when the Controller notifies the chairs of the fiscal committees of each house of the Legislature and the Director of~~

~~Finance that the city has paid to the Controller an amount equal to a loan of \$750,000 require the Controller to deposit those payments in an account to be created in the Humboldt Bay Fund specifically for these moneys. The bill would provide that the money in the account shall be accounted for separately from, and not commingled with, other moneys in the fund. The bill also would provide that moneys in the account shall remain under the control of the state, but may be used by the city for the purposes for which revenues accruing from or out of the use of the granted tidelands may be used.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3 of Chapter 1086 of the Statutes of
2 1970, as amended by Section 1 of Chapter 1068 of the Statutes of
3 1982, is amended to read:

4 Sec. 3. (a) The city shall establish the Humboldt Bay Fund in
5 the manner as may be approved by the State Lands Commission,
6 and the city shall deposit therein all moneys received directly
7 from, or indirectly attributable to, the tide and submerged lands
8 granted to the city. An annual statement of financial condition
9 and operations, to conform with such requirements as the State
10 Lands Commission may prescribe, shall be submitted to the State
11 Lands Commission by the city on or before September 30th of
12 each year for the preceding fiscal year. In furtherance of its
13 management and administration over granted tide and submerged
14 lands, the State Lands Commission shall audit, or cause to be
15 audited, the operations and all books and records of the city.
16 Further, the city shall prepare and submit to the State Lands
17 Commission, for its review and approval, an annual budget with
18 respect to all revenues and expenditures regarding tide and
19 submerged lands granted to the city. All moneys received from
20 the Controller pursuant to Section 18 of this act shall be
21 deposited in the Humboldt Bay Fund and may be used by the city
22 for the purposes for which revenues accruing from or out of the
23 use of the granted tidelands may be used pursuant to the
24 provisions of this act.

25 (b) Prior to June 30 of each year, the city shall pay to the
26 Controller a sum that is not less than 15 percent of the amount of

1 the money deposited by the city into the Humboldt Bay Fund
2 during the preceding fiscal year, after deducting from the fund
3 the principal and interest payments required by the currently
4 outstanding 1973 Municipal Harbor Improvement Revenue Bond
5 issue, and after the credit for reverted funds provided for in
6 Section 18 of this act. Moneys received from the Controller
7 pursuant to Section 18 of this act shall not be included in the
8 calculation of the amount deposited into the Humboldt Bay Fund.
9 Payments made to the Controller pursuant to this section shall be
10 in lieu of all obligations incurred by the city pursuant to this
11 section, as amended by Section 2 of Chapter 1252 of the Statutes
12 of 1971, and prior to the amendment of this section during the
13 1977-78 Regular Session of the Legislature. ~~The city's~~
14 ~~obligation to make payments pursuant to this section shall cease~~
15 ~~when the Controller notifies the chairs of the fiscal committees of~~
16 ~~each house of the Legislature and the Director of Finance that the~~
17 ~~city has paid to the Controller an amount equal to a loan of seven~~
18 ~~hundred fifty thousand dollars (\$750,000).~~ Legislature.

19 (c) Upon receipt of the payment by the city made pursuant to
20 subdivision (b), the Controller shall deposit the amount in an
21 account to be created within the Humboldt Bay Fund specifically
22 for these moneys. The moneys in this account shall be accounted
23 for separately from, and not commingled with, the moneys
24 deposited in the Humboldt Bay Fund pursuant to subdivision (a).
25 The moneys in the account shall remain under the control of the
26 state, but may be used by the city for the purposes for which
27 revenues accruing from or out of the use of the granted tidelands
28 may be used pursuant to the provisions of this act.

29 (e)
30 (d) In the event the city fails to make any payment required to
31 be made hereby for any reason whatsoever, the Board of
32 Equalization, upon the order of the State Controller, shall deduct
33 the amount of that payment from the sales and use taxes to be
34 paid to the city thereafter pursuant to Section 7204 of the
35 Revenue and Taxation Code and shall pay the same to the
36 Controller.

37 (d)
38 (e) All payments made by the city and the State Board of
39 Equalization shall be considered as oil revenues and dry gas
40 revenues payable to the state pursuant to Chapter 138 of the

1 Statutes of 1964, First Extraordinary Session, during the year
2 they are received.

3 (e)

4 (f) For the purposes of Section 7 of this act, the amounts paid
5 to the Controller by the city shall be considered as current and
6 accrued operating costs and expenditures directly related to the
7 operation and maintenance of tideland trust activities.

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